

**MINUTES OF THE MEETING OF
ECONOMIC DEVELOPMENT AUTHORITY OF
ROCKINGHAM COUNTY, VIRGINIA (“EDA”)**

Held: Thursday, July 30, 2020, at 8:30 a.m., in the Board Room located in the County Administration Building, at 20 East Gay Street, Harrisonburg, Virginia. The meeting was open to the public at reduced capacity under Phase Three of Governor Northam’s Executive Order, and broadcast online via Zoom.

Directors Present: At the commencement of the meeting, seven Authority Directors were present, as follows: Mr. Douglas Driver, Mr. Kevin Flint, Mr. Paul Wiseman, Mr. Neil Hayslett, Mr. Nathan Miller, Mr. Timothy Hulings, and Mr. Gary Burner.

Also Present at the Meeting: Stephen G. King, Rockingham County Administrator; Thomas H. Miller, Jr., Rockingham County Attorney; Casey B. Armstrong, Assistant County Administrator; Patricia D. Davidson, Rockingham County Finance Director; and Jessica G. Kilby; Rockingham County Deputy Clerk.

The meeting was called to order at 8:30 a.m., by the Chairman of the Authority, Mr. Driver.

1. Approval of Minutes

The minutes from the Authority’s meetings on May 13, 2020, and on June 25, 2020, were reviewed and unanimously approved as presented.

2. Small Business Grant Program

Chairman Driver reported that the Board of Supervisors approved the Small Business Grant Program Agreement. He pointed out that of the 52 grant applications received and reviewed by the Grant Review Team, a total of \$175,000 in grants were recommended. Chairman Driver expressed appreciation to Director Hulings for serving as the EDA’s representative on the Grant Review Team.

Director Hulings stated that it was a privilege to serve on the Review Team. He explained how each applicant was considered individually, and pointed out that the Team struggled with several of the grant stipulations. He provided specific examples where the Team did not wish to deny an application, but had no alternative when qualifying criteria was not met. Mr. Hulings indicated the Grant Review Team recommended offering a Round 2, along with recommendations to relax the qualifying criteria.

Finance Director Davidson reiterated that the Review Team recommended advertising a second round, with an application period of August 10 - 23, 2020. She reported that \$325,000 remains available for Round 2, and she reviewed the following recommended changes to the qualifying criteria:

1. Be a business in the retail, hospitality, ~~entertainment, employment and administrative~~ services, or travel-related sectors.
2. Have a minimum of ~~three~~ **one** and a maximum of fifty full-time equivalent employees on-site in Rockingham County.
3. Have gross annual receipts of less than ~~\$2,000,000~~ **\$5,000,000**.

Chairman Driver commented that he was pleased with the recommendations, and said he was in favor of adjusting the application period and criteria in order to assist more businesses.

On motion by Director Hayslett, seconded by Director Flint, and carried by a vote of 7 to 0, voting recorded as follows: DRIVER – AYE; FLINT – AYE; WISEMAN – AYE; HAYSLETT – AYE; MILLER – AYE; HULINGS – AYE; BURNER – AYE; the Authority reaffirmed approval of the following Small Business Grant Program, in connection with the Rockingham County Board of Supervisors:

Rockingham County COVID-19 Small Business Grant Program

In response to the COVID-19 pandemic, the Governor of Virginia issued Executive Order 53, which, among other things, forced the closure of non-essential businesses in Rockingham County. The forced closure has severely impacted various retail, hospitality, entertainment, employment and administrative services, and travel-related businesses.

The County received funding from the Coronavirus Aid Relief and Economic Security (CARES) Act. The U.S. Department of Treasury guidance allows the CARES Act funds to be used for costs and expenses incurred because of the COVID-19 public health emergency, specifically mentioning the making of grants to small businesses.

A small business grant program will be the most efficient and effective way to distribute resources to small businesses in Rockingham County and its seven towns. The program can assist a small business with cash needed for working capital to support rent or mortgage payments, utility, payroll, or other similar expenses that occur in the ordinary course of business.

The Rockingham County Economic Development Authority (the EDA) is authorized to make money grants for economic development pursuant to Section 15.2-4905(13) of the Code of Virginia (1950). To implement this grant Program, the Board of Supervisors of Rockingham County (the Board) and the EDA will enter into the Rockingham County – Economic Development Small Business Grant Program Agreement, dated as of June 24, 2020 (the Agreement). A copy of the Agreement is attached to this Policy as Exhibit A. With the oversight of the EDA, the Small Business Grant Review Team (the Grant Review Team), hereby established by the Board, acting through the Board Chairman, will administer the Grant Program. The Grant Review Team shall consist of two County staff members, two Board members and one EDA member. The Board

hereby initially allocates \$500,000 of the CARES Act funds received to this Grant Program. If the need is demonstrated, the Grant Review Team may request additional funding.

Qualification Criteria:

A business must meet the following criteria to qualify for a grant:

1. Be a business in the retail, hospitality, entertainment, employment and administrative services, or travel-related sectors.
2. Have a minimum of three and a maximum of fifty full-time equivalent employees on-site in Rockingham County.
3. Have gross annual receipts of less than \$2,000,000.
4. Must not be a part of, a subsidiary of, or be otherwise owned or controlled by a business with more than fifty employees.
5. Be physically located in Rockingham County.
6. Have been current on all County taxes as of March 1, 2020.
7. Must have experienced due to Covid-19 a revenue loss of 25% or more when compared to the average revenue for the same period during the preceding two calendar years.

Businesses that employ 3-25 full-time equivalent employees are eligible for a grant of \$5,000.

Businesses that employ 26–50 full-time equivalent employees are eligible for a grant of \$10,000.

Locally owned franchise businesses are eligible for grants.

Banks, financial institutions and franchise businesses not locally owned are not eligible for the Grant Program.

Application Review Process

1. The grant shall be advertised for 10 business days, from June 29, 2020 to July 10, 2020.
2. Applications shall be accepted from July 13, 2020 until close of business, July 24, 2020.
3. The Grant Review Team shall meet the week of July 27, 2020.
4. Applications shall be time and date stamped upon receipt and shall be reviewed on a first come, first served basis.
5. The Grant Review Team shall assess the applications to ensure that the criteria of this Grant Program are met.
6. Payments shall be distributed beginning August 3, 2020.

If the initial allocation of \$500,000 is not sufficient to meet all qualified applications received, the Grant Review Team shall report the additional need to the Board with a recommendation of whether to allocate more CARES Act funds to this Grant Program.

If there remains a balance of the \$500,000 allocation after the initial application process, a second application period shall open. During the second application period, gross annual receipts maximum shall be adjusted to \$5,000,000. All other criteria and procedures shall remain the same,

including that the advertisement period shall run for 10 business days, followed by a 10 business day application period, with distribution of payment the following week.

Documentation required of Applicant:

1. Completed and signed application
2. IRS form W-9
3. Proof of monthly gross receipts history for the previous two years through June 30, 2020 (if the business has not produced receipts for two years, supply all monthly receipts since inception).

Disbursement Requirements

1. **Receipt of Application.** The small business must have provided the Grant Review Team with a complete Small Business Grant application.
2. **Certification of Application.** The Grant Review Team must have certified that the small business qualifies for the Small Business Grant program and that the small business has provided all the information required to make this determination.
3. **Report to EDA.** The Grant Review Team shall send to all EDA board members via email the list of businesses qualified to receive a grant. All applications and documentation will be available for the review of EDA board members. EDA board members must raise any objections by close of business on August 6, 2020, for the initial application period. Vouchers must be approved by the EDA Chairman prior to disbursement. Checks for any applicant objected to by an EDA member shall be held until the objection is rescinded by the member or overruled by a simple majority vote of the other EDA members. Checks shall be mailed on August 7, 2020. All subsequent rounds will follow the same pattern.

Repayment of CARES ACT Grant and Credits

If a recipient ceases its operations in Rockingham County within one (1) year of receiving grant funds, the recipient shall immediately reimburse the EDA the full amount of grant funds received. Any refund received by the EDA shall be repaid to the County.

3. Approval of Small Business Grants

On motion by Director Wiseman, seconded by Director Miller, and carried by a vote of 7 to 0, voting recorded as follows: DRIVER – AYE; FLINT – AYE; WISEMAN – AYE; HAYSLETT – AYE; MILLER – AYE; HULINGS – AYE; BURNER – AYE; the Authority authorized grant awards to the following small business recipients, and directed staff to issue payments:

Legal Name of Business	Address	Amount
Thomas House	222 Main Street, Dayton	\$5,000
Sugar & Bean Baking Company	318 N Main Street, Bridgewater	\$5,000
Urgie's Cheesesteaks	418 N Main Street, Bridgewater	\$5,000
Crosskeys Vineyards	6011 E Timber Ridge, Mt Crawford	\$10,000

The Isle Co	11706 Spotswood Trail, Elkton	\$5,000
Cracked Pillar	403 N Main Street, Bridgewater	\$5,000
Massanutten River Adventures	1850 Meadow Vista Lane, McGaheysville	\$5,000
Massanutten Adventures Inc.	1822 Resort Drive, Massanutten	\$5,000
Highland Retreat of the Mennonite Church	14783 Upper Highland Drive, Bergton	\$5,000
Blue Ridge Tours, Inc.	220 Shenandoah Avenue, Elkton	\$5,000
Dayton Tavern LLC	245 Main Street, Dayton	\$5,000
Grammie's Ice Cream	3092 John Wayland Hwy, Dayton	\$5,000
Blue Stone Inn	9107 N Valley Pike, Harrisonburg	\$5,000
Hanks Grille & Catering	49 Bloomer Springs Rd., McGaheysville	\$10,000
Thunderbird Diner LC	42-A Island Ford Rd., McGaheysville	\$5,000
Massanetta Springs INC	712 Massanetta Springs Rd, Harrisonburg	\$5,000
The Hungry Farmer	121 Carpenter Ln., Harrisonburg	\$5,000
Hair Factory	14066 Food Lion Pl., Timberville	\$5,000
Crossroads Café & Catering LLC	4549 Spotswood Trail #9, Penn Laird	\$5,000
Rockingham County Fair Association	4808 South Valley Pike, Rockingham	\$5,000
Mane St. Salon & Spa	201 Main St., Dayton	\$5,000
Subway	326 South Main St., Broadway	\$5,000
Speech and Language Center PLLC	1591 Port Republic Rd., Rockingham	\$5,000
Jack Brown's Single Wide	11702 Spotswood Trail, Elkton	\$5,000
WBTX Radio	166 N. Main St., Broadway	\$5,000
Valley Jump Trampoline Park	4549-3 Spotswood Trail, Penn Laird	\$5,000
White Oak Lavender Farm	5060 Newcomer Lane, Rockingham	\$5,000
Tots Ice Cream	4549-2 Spotswood Trail, Penn Laird	\$5,000
Country View Lodging	19974 Spotswood Trail, Elkton	\$5,000
WKW, LLC	Elkton, McGaheysville and Grottoes	\$5,000
Bridgewater Fitness	630 North Main St., Bridgewater	\$5,000
Landscapes In Miniature	3105 John Wayland Hwy, Dayton	\$5,000
Your Pie	4549-1 Spotswood Trail, Penn Laird	\$5,000

4. Small Business Grant Program - Round 2

On motion by Director Hulings, seconded by Director Miller, and carried by a vote of 7 to 0, voting recorded as follows: DRIVER – AYE; FLINT – AYE; WISEMAN – AYE; HAYSLETT – AYE; MILLER – AYE; HULINGS – AYE; BURNER – AYE; the Authority recommended offering Round 2 of the Small Business Grant Program, and recommended the following revisions to the qualifying criteria:

1. Be a business in the retail, hospitality, ~~entertainment, employment and administrative~~ services, or travel-related sectors.
2. Have a minimum of ~~three~~ **one** and a maximum of fifty full-time equivalent employees on-site in Rockingham County.

3. Have gross annual receipts of less than ~~\$2,000,000~~ **\$5,000,000**.

Chairman Driver inquired about the process of adding Round 2 and changing the qualifying criteria, as it related to the Board of Supervisors. County Attorney Miller indicated the Authority's actions are effectively a recommendation to the Board of Supervisors.

Mrs. Davidson reminded that the Program is setup so that the EDA oversees the decisions of the Grant Review Team, which administers the Program. The Grant Review Team consists of County staff members and Board members.

Mrs. Davidson indicated a Round 2 qualification could be added to the current program. She said an email notification would be sent to the Board of Supervisors for consideration, with any necessary action to follow at the August 12, 2020, Board of Supervisors meeting.

Mrs. Davidson reported that the next EDA meeting is tentatively scheduled for August 27, 2020, at 8:30 a.m.

5. Other Business

Upon due motion, the Authority unanimously approved the EDA Directors' statutory \$200 per diem fees for attendance at the meeting.

6. Adjournment

Upon determining no other business for consideration by the Authority, Chairman Driver duly adjourned the meeting at 8:59 a.m.

Respectfully submitted,

Secretary/Treasurer